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BRAZILIAN FOREIGN TRADE IN JANUARY, 1944

Brazilian foreign trade for the month of January, 1944 showed one interesting aspect. Although as a rule favorable balances are registered for exported tonnage, and unfavorable figures for imports, during this month a favorable balance was registered for both these operations, as compared with identical period in the preceding year.

In tonnage our favorable trade balance reached 6,000 tons for exports, and 238,000 for imports, as compared with the same period in 1943.

The lack of proportion in value of imports and exports is due to the lower price of imported merchandise, which is less than 1,300 Cruzeiros per ton, as compared with the average export ton, which was estimated at 4,000 Cruzeiros in the aforementioned period.

The important factor in Brazil's foreign trade for January, 1944 was the great exchange of merchandise between Brazil and the United States. This country received 60% of our exports, and supplied 49% of our imports, as compared with 36% and 8% respectively during the same month of the preceding year.

Coffee was the leading export for this month, and the United States received practically all that Brazil exported. In other words, of the total of 360,000,000 Cruzeiros, the United States received ..... 323,000,000 Cruzeiros. The balance of our coffee exports for this period was divided among 9 other markets as follows: 7 South American countries, Great Britain, and Sweden.

Other Brazilian products exported to the United States (this period) consisted of: Carnaúba Wax, Rock Crystal, Castor Beans, Diamonds, Mica and other rare minerals.

The leading product which Brazil imported from the United States was Cellulose for the manufacturing of paper, valued at more than 15,000,000 Cruzeiros. Besides Cellulose, Brazil's largest purchases consisted of heavy-duty industrial equipment, valued at 27,000,000 Cruzeiros.

Among other products imported by Brazil are: Laminated Steel (valued at 6,500,000 Cruzeiros), Tinplate and Coal.

Vehicles and accessory parts were imported in considerable quantities, especially if we consider that the United States have not exported passenger cars, but only vehicles for essential purposes.

Argentina was our second largest buyer for January, 1944, receiving 12% of our exports, some of which were the following:

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Cotton Textiles, valued at 29,000,000 Cruzeiros
Sugar, " " 22,000,000 "
Pine Wood, " " 16,000,000 "

and Cocoa, Tobacco, Matte-tea, Rice, etc.

25% of our total imports was from Argentina, and consisted of the following: Wheat (comprising 82% of our Argentine purchases); next came Wool Yarn, Salt, etc.

Great Britain was our third market. She received 8.32% of our exports:

Rice, valued at 10,000,000 Cruzeiros
Rock Crystal, " " 10,000,000 "
Coffee " " 7,000,000 " (approximately)

and Carnaúba and Ouricurí Waxes, Canned Meats, etc.

Brazilian imports from Great Britain amounted to 1.02% of our total, consisting of a variety of products, none of which is outstanding.

Our fourth market was Sweden, to whom we exported 4.3% of our total, and from whom we purchased nothing.

Colombia rated fifth, and was followed by Spain.

Trinidad did not receive any of our exports, but 9% of our imports were purchased from her. These consisted of: gasoline, kerosene, lubricating and fuel oils.

Chile imported less than 2% of Brazil's products, and sold us about 7% of our imports, which were: Copper and Yarns for the textile industry.

It is interesting to note that Spain and Sweden, the two neutral countries in Europe, imported raw cotton, valued at 10,000,000 and 18,000,000 Cruzeiros respectively.

During the month of January, 1944, Brazilian exports were valued at 835,000,000 Cruzeiros, and imports at 493,000,000 Cruzeiros.

MANGANESE

In Brazil the largest and best known deposits of manganese ore are located in the States of Minas Gerais, Baía and Mato Grosso, some minor deposits being found also in the States of São Paulo, Ceará, Maranhão and Paraná. From 1933 to 1939, however, the only producing State has been Minas Gerais, production having risen from 24,893 metric tons in the former year, to 306,025 metric tons in 1938, only to drop again in 1939, to an estimated total of 250,000 tons, thus placing the country in fifth place among world producers. The preliminary estimate for 1940 is an output of 270,000 tons.

There are about 34 concerns engaged in the working of the manganese deposits of the State, employing approximately 2,120 persons. More than 5,000,000 Cruzeiros are invested in the industry, the fifth largest in mining activity in the State.

The manganese of Brazil is found in two types of deposits: first those associated with iron ore and limestone, or that of chlorite schists in the regions which are classified under the general denomination of Minas Series; and second, those which do not fall within this classification. The former are also known as "Burnier" type, and the latter as "Lafayette", since the deposits of these regions are representative of the entire group.

In the various localities in the central zone of Minas Gerais, there are layers of manganese associated with those of limestone, itabirite and quartzite, which are represented by the best-known, the deposits of Miguel Burnier, at the 503 Km. Post of the Estrada de Ferro Central do Brasil. Others of a similar nature are found in Ouro Preto and vicinity. The ore of Miguel Burnier consists principally of a mixture of psilometane and pyrolusite, having an average of 50% manganese, 1% silica and from 0.03% to 0.05% phosphorus.

The most important mine of the country, however, is in the Morro da Mina which is about 4 kilometers from the city of Conselheiro Lafayette, on a branch of the Estrada de Ferro Central do Brasil main line. The ore occurs in large layers which are nearly vertical, and consist chiefly of psilometane with manganite and pyrolusite. The deposit is mined by open cuts and worked by hand, although some sections must be developed by the gallery system. The mine is operated by the Companhia Meridional de Mineração, a subsidiary of the United States Steel Corporation, which acquired the mine in 1920. The reserves are estimated to be about 10,000,000 tons, of which 3,200,000 tons have been extracted up to May, 1935. The present reserves are calculated at about 3 million tons.

In Agua Preta, near the Morro da Mina, a similar type of ore is being worked and transported to the Estrada de Ferro Central do Brasil, which is eight kilometers distant, by means of a cable-way. This deposit belongs to the A. Thun & Cia., which also owns a mine at Cocoruto, which is 32 kilometers from the Lafayette station. The deposits there attain considerable magnitude and are being worked by means of galleries.

Other deposits of the Lafayette type are found in Estiva, Paiva, Sabino, Jurema and Micaela. All these occurrences are linked to the main railway by means of branch lines with 60 centimeter and 1-meter gauges.

The mines of the Nazaré district of the State of Baía, which are located near the coast, are at present idle. The most important deposits of this State are those of Sapê, Pedras Pretas and Onha, which were worked during the First World War. Of those in the hinterland, there is only one worth mentioning, namely that of Bomfim, which is in Laranjal, in the district of Jacobina. In 1940, the State of Baía produced 7,590 metric tons, and there was an export of 6,295 metric tons.

The reserves of the Urucum deposits in the municipality of Corumbá, State of Mato Grosso, are estimated to contain about 30 million tons, of which at least 15 million tons contain 43% manganese. The government-owned deposits are located at 9 kilometers from the Paraguay River and 20 kilometers to the South of Corumbá. A railroad connects these deposits to the Paraguay River, from where it is shipped to the city of Rosario in Argentina, a water distance of about 2,000 kilometers. Ships of 4,000 tons can sail from the Argentine city to the Mato Grosso port.

In general, the Brazilian manganese ore contains from 38% to 50% metal, that which is exported usually averaging 45 to 48%.

Analyses of the principal Brazilian ores show that the Burnier (Minas Gerais) mineral has a 54% manganese content, that of Morro da Mina (Minas Gerais) 51%, that of Laranjal (Baía) 53% and the Urucum mineral (Mato Grosso), 44%.

The United States are the principal market for the Brazilian product, the general average of shipments in the last five years being about 50% of the total domestic production. In the American Continent, Cuba is Brazil's only competitor. The Cuban ore is protected by tariff exemption in the United States, while the Brazilian product enjoys a 50% reduction. In spite of this, however, the Brazilian ore is able to compete with the Cuban, due to the lower cost of production.

In 1939 the United States imported 134,963 metric tons of Brazilian ore, while Germany, our second largest market, bought 37,306 metric tons. Other markets were Czechoslovakia, Holland, Belgium, Danzig and France. This export quantity, which was 38% larger than that of 1938 was made available in spite of the difficulties encountered in the transportation of the ore, mainly through the coal shortage which was caused by war-conditions, and which reduced the movement of our freight service. Another unexpected development was the higher evaluation of ores, which increased the tax payable on exports. In 1940, exports of this ore increased 17%, reaching 222,713 metric tons, of which 215,601 metric tons were shipped to the United States, and 7,112 metric tons, to Belgium.

The price of the Brazilian manganese ore exported was 119 Cruzeiros per metric ton in 1938, 109 Cruzeiros in 1939 and 145 Cruzeiros in 1940. Contrasted with this, is the ore known as "extra" in the trade which contains 48% more of metal, which was quoted at 80 Cruzeiros per metric ton in 1940. Another type rated as "exportavel" (exportable), containing from 42 to 48% manganese was sold at 45 Cruzeiros per metric ton in the same year, while the "baixo" (low), containing 35 % to 42% metal averaged 30 Cruzeiros during 1940.

Ferro-Manganese (25 to 35%) was quoted at 15 Cruzeiros per metric ton.

I. Brazilian Manganese Production:

Years	Volume in Tons	Value	
		Total in Thousand Cruzeiros	Per Ton In Cruzeiros
1920	453,737	39,829	87,80
1925	311,882	31,476	100.90
1930	196,122	14,486	75.40
1935	60,679	6,676	110.00
1936	166,471	16,342	98.20
1937	262,409	26,241	100.00
1938	306,025	30,602	100.00
1939	257,752	25,632	99.40
1940	313,391	31,267	99.80
1941	449,671	50,462	112.20

II. Brazilian Manganese Production by States (in tons):

Producing States:	Absolute Figures					Index Numbers 1937 = 100			
	1937	1938	1939	1940	1941	1938-39		40-	41
Baía	-	-	1990	7590	7122	-	100	381	358
Paraná	-	-	615	900	80	-	100	146	13
Mato Grosso	-	-	-	-	8134	-	-	-	-
Minas Gerais	262409	306025	255147	304901	434335	117	97	116	166
Brazil:	262409	306025	257752	313391	449671	117	98	119	171

Total Value in Thousand Cruzeiros:

1937 26,241
1938 30,602
1939 25,632
1940 31,267
1941 50,462

III. Brazilian Exports of Manganese (1920 to 1941):

Year	Tons	Cruzeiros
1920	453,737	39,829,000
1921	275,694	22,917,000
1922	340,706	22,269,000
1923	235,831	26,784,000
1924	159,229	18,258,000
1925	311,882	31,476,000
1926	319,825	25,304,119
1927	241,823	21,225,344
1928	361,829	37,043,974
1929	293,318	28,579,096
1930	192,122	14,486,477

(over)

III. Brazilian Exports of Manganese (1920-1941, Cont.):

Year	Tons	Cruzeiros
1931	95,550	6.395.121
1932	20,885	1.308.976
1933	24,893	1.134.710
1934	2,300	133.607
1935	60,669	6.675.913
1936	166,471	16.342.421
1937	189,003	20.640.000
1938	136,843	16.312.794
1939	247,115	44.730.000
1940	222,713	32.311.317
1941	437,402	80.374.000

(Origins: "The Mineral Wealth of Brazil" by José Jobim, 1941, and "Brasil, 1942", Ministry of Foreign Affairs, 1943, Rio.)

COAL

As a result of Brazil's policy to encourage domestic coal production and reduce importations, the output of the Santa Catarina coal field increased from 208,000 tons in 1939 to 568,000 tons in 1943. Imports in these years decreased from 1,047,000 to 706,998 tons.

Brazil's fuel requirements have grown at a faster rate than the increase in national coal production, and a further incentive is furnished by the reduction in imports. The controlling factor in increased production, however, is the transportation facilities from the Santa Catarina mines to the markets. Under present conditions, about 60,000 tons of cleaned coal can be mined and transported to market monthly and it is estimated that the capacity will be increased to about 75,000 tons by the end of 1944.

When burned under suitable conditions, the hand-cleaned Santa Catarina coal has an over-all fuel value equivalent to approximately four-fifths that of good imported coal. Fire boxes and grates must be adapted to the use of domestic coal however, and since this conversion is not easily made, consumers of imported coal are hesitant in making the change.

The only coal in Brazil having good coking qualities is found in the Barro Branco seam of the Santa Catarina field. Expansion of this field by the Cia. Siderúrgica Nacional is planned in order to supply some of the coking coal needed for the plant under construction at Volta Redonda. It is estimated that to supply 50 percent of the coke requirements of the Cia. Siderúrgica Nacional, the capacity of the field must be enlarged to about 1,500,000 tons annually, or roughly double this year's potential capacity production.

While competition with imported coal after the war may prove uneconomical, in view of the determination of the Government and the Cia. Siderúrgica to use Santa Catarina coal to the fullest extent possible, the use of 1,500,000 tons or more of this coal annually is indicated.

With reserves roughly estimated at 200,000,000 tons, the Santa Catarina field is comparatively untouched, and offers opportunities for quick development.

MISCELLANEOUS NEWS ITEMS

Construction:- Applications for permits to build new structures in Rio de Janeiro, Brazil, numbered 93 in February, a considerable decline compared with 130 in January. Approximately 70 of the February applications called for buildings under three stories.

New construction in São Paulo last year, totalling 1,357,592 square meters, showed very little change, as compared with 1,369,115 in 1942 and 1,030,753 in 1941.

Silk:- Production of cocoons in Brazil's State of São Paulo has increased tenfold during the rapid development of the silk industry in the last decade, according to the Brazilian press.

The new crop is expected to approximate 6,600,000 pounds, against 650,000 in 1935, says the Rio de Janeiro newspaper "O Jornal". Further substantial increases were forecast for succeeding crops.

The State of São Paulo is encouraging the development of the industry with technical assistance, training courses, and aid in the planting of mulberry trees. The State's Sericulture Service, according to "O Jornal", distributed in 1943 large quantities of silk-worm eggs to hasten the expansion of the industry.

Lignite:- Lignite is a noncaking, usually brownish-black, variety of coal, intermediate between peat and bituminous coal, especially in which the texture of the original wood is distinct, which is 55% to 75% carbon.

The most important Brazilian lignite deposits are found in the States of Amazonas, Baía, Minas Gerais, Pará, Rio Grande do Sul and São Paulo. The deposits in the State of Amazonas and on the north bank of the Amazon river, in Monte Alegre, State of Pará, are quite large and very important. In Rio Grande do Sul the deposits are found in São Sepé and Caçapava.

The Caçapava deposits are being worked by the Companhia Norte Paulista de Combustíveis, which supplies the Estrada de Ferro Central do Brasil.

Chromite:- Four zones in Brazil yield chromite, a mineral of which Brazil is the second largest exporter in the Americas. Of the three chromite areas in the State of Baía, that which centers around Campo Formoso, about 328 miles from the port of São Salvador, in the same State, is the largest, having an estimated reserve of 4,000,000 tons, with 36 percent chromite oxide, although it is possible to concentrate on ores of about 50 percent.

Mining is carried out in open cuts.

The second zone, that of Santa Luzia, is approximately 160 miles from São Salvador, and has about 100,000 tons of ore with 36 to 42 percent chrome oxide.

The third, the Boa Vista deposit, contains from 30 to 36 percent chromium oxide in a reserve with a minimum of 20,000 tons.

The ore of Piuí, in the State of Minas Gerais, the fourth zone, has a content of 34 to 47 percent, but in comparison to the Baía deposits, may be said to be relatively small.

Recent exports of chrome ore have been as follows:

1937	850 tons
1938	934 tons
1939	3,554 tons
1940	4,572 tons
1941	4,424 tons

Peat:- Peat is a semicarbonized vegetable tissue, used for fuel, formed by partial decomposition in water of various plants.

Brazilian deposits are to be found chiefly in the following localities: Camaragibe, near Maceió, State of Alagôas; Ilhéus and Maraú, State of Baía; Viana and Vila Velha, State of Espírito Santo; the "Buraco" farm, State of Sergipe, which is a very important deposit; Caraubas, State of Rio Grande do Norte; Agua Branca and Taubaté, State of São Paulo; Bambuí, State of Minas Gerais, the peat fields of Bambuí containing 3,250 calories, with a residue of 11.2% ashes.

In the State of Rio de Janeiro and in the Federal District, there are important Peat fields which can be easily developed.

Coastwise Trade:- The coastwise trade of Brazil from January to September 1943, compared with the same period for 1942, shows the following:

Year	Tons	Value
1943	2,171,382	5,293,746,000 Cruzeiros
1942	2,298,845	4,913,974,000 Cruzeiros

It will be noted that while the 1943 volume showed 127,463 tons less, there was an increase of 379,772,000 Cruzeiros in value.

The breakdown of the 1943 figures is as follows:

	Tons	Value
Mfd. Goods	215,432	2,400,437,000 Cruzeiros
Foodstuffs	794,511	1,455,860,000 Cruzeiros
Raw Material	1,161,314	1,436,488,000 Cruzeiros
Live Animals	125	961,000 Cruzeiros
Total	2,171,382	5,293,746,000 Cruzeiros

Leading Manufactured Products of São Paulo:- According to recent statistics, during the first five months of 1943, the State of São Paulo produced and sold, to the domestic as well as to foreign markets, the following items:

Items	Value-Cruzeiros	Value: U.S.Dollars
Raw Materials	183.299.908	9,184,995
Foodstuffs	691.848.945	34,592,447
Manufactured Products	229.842.645	11,492,132

The main products exported by São Paulo were the following:

Products	Value-Cruzeiros	Value-U.S. Dollars
Cotton Textiles	89.998.861	4,195,443
Tires	66.800.264	3,340,013
Caffeine and Derivatives	9.942.229	497,111
Woolen Textiles	9.031.285	361,251
Cotton Stockings	5.105.375	225,081
Cables and Electric Fuses	3,960.625	198,031
Chinaware	3.671.134	183,556
Sanitary Installations	2.552,144	127,607
Rayon, Viscose and Similar Textiles	2.291.540	114,527
Silk Textiles	1.768.879	88,443
Rubber Goods	1.584.243	79,212
Weaving Looms	1.034.035	51,701

Brazil Produces Rails: The director of the Estrada de Ferro Central do Brasil (Central Railroad of Brazil) received the following telegram from the chief of the Minas Gerais Division: "We are happy to advise you that rails from the Monlevade factory have been installed on the line between Santa Barbara and São Bento, a distance of 540 meters. For the first time, on March 3, 1944, trains ran on Brazilian-made rails. The Minas Division is pleased that Estrada de Ferro Central do Brasil was honored by being the first railroad to use domestic-made rails. The above date will be remembered as the beginning of important economic developments".

Income Tax Returns:- Income Tax receipts during the past two years have increased sensibly. The official estimate for 1943 was ... Cr$1,138,000,000 and the amount collected reached Cr$1,564,886,667, or, in other words, an increase of Cr$426,886,667. The accounts for 1942 are expressive of the tendency to increase. The total for that year was Cr$977,812,254, the chief contributor being the Federal District, with Cr$399,264,642. In 1943 the Federal District contributed Cr$644,375,816. Next in order was São Paulo, with Cr$530,619,669 in 1943, and Cr$326,851,666 for 1942.

Caustic Soda Factory:- It is expected that Brazil will soon be able to provide her own needs of caustic soda and salsoda. The National Alcalis Company of Brazil has been given permission by the federal government to erect a factory which will be located in Cabo Frio, State of Rio de Janeiro. Construction will be started very soon.

A public subscription of 24,000 shares for the building of this factory was made; owners of national salt mines were given preference for the acquisition of these shares.

Due to the proximity of raw material, Cabo Frio is an excellent location for the new factory. It is estimated that Brazil consumes an average of 50,000 tons of caustic and salsoda per year.

TRADE OPPORTUNITIES:- The Brazilian Government Trade Bureau has received the following inquiries from business-men in Brazil, who desire to export or import the products listed below. We suggest that the parties interested write directly to these firms in Brazil, via airmail, as well as to this Office.

The Following Brazilian Concern Wishes to Export to the United States:

MANIOC FLOUR AND STARCH - Jorge Gabriel Representações, Rua Libero Badaró, 488, São Paulo, Brazil.

The Following Firms Wish to Import From the United States:

MEDICINAL HERBS AND CRUDE CHEMICALS - Jorge Gabriel Representações, Rua Libero Badaró, 488, São Paulo, Brazil.

CARBON PAPER; TYPEWRITER RIBBONS; STENCILS FOR MIMEOGRAPHING MACHINES; PEN AND REPEATING PENCIL SETS - Organização Raizman, Rua Prates 51, São Paulo, Brazil.

MACHINERY AND EQUIPMENT FOR THE PRODUCTION OF OZONE(USED IN MEDICINE) - S. Barros & Cia., Rua Xavier de Toledo, 114, São Paulo, Brazil.

BLACK AND GALVANIZED PLATE; ELECTROLYTIC COPPER; IRON AND STEEL IN GENERAL; CONSTRUCTION MATERIALS - Soc. Metais Marte Ltda., Rua General Ozorio 272, São Paulo, Brazil.

The following firm is interested in representing American Manufacturers and Exporters in General, especially of Steel and Steel Products: Ubaldo & Barros, Rua do Imperador 460, Recife, Pernambuco, Brazil.